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September 6, 2007

The Honorable Bobby L. Rush
Chairman
The Honorable Cliff Stearns
Ranking Member
Subcommittee on Commerce, Trade,
and Consumer Protection
U.S. House of Representatives
Committee on Energy and Commerce
Washington, D.C. 20515

Dear Chairman Rush and Ranking Member Stearns:

On behalf of our client Oriental Trading Company, Inc. ("OTC"), we are providing this response to your letter dated August 22, 2007, which requested information regarding the May 2, 2007 recall of an OTC religious fish necklace. The information requested is set forth below.

1. "In addition to the approximately 132,000 pieces of jewelry recalled by the CPSC in May, please provide detailed information on any other children's products imported by your company with lead paint or lead content that exceeds lawful safety standards."

Answer: When OTC determines that lead content in a product exceeds lawful safety standards, OTC takes appropriate action.

In cooperation with the CPSC, OTC ceased sales and recalled bendable cat and dog toys in August 2006. However, subsequent tests by the CPSC indicated that the items were in compliance with federal standards (which relate to lead content in surface coating). Nevertheless, OTC proceeded to voluntarily recall the items as requested by the CPSC.

In cooperation with the CPSC, OTC also ceased sales of beaded photo charm bracelets in November 2005 and recalled the item. Tests conducted by the CPSC indicated that the item contained lead in excess of the limits established by the CPSC's Children's Jewelry Enforcement Guidelines.

2. "Please provide information detailing the level of lead in the recalled jewelry and any other products, if available."

Answer: CPSC tests of the levels of lead in the recalled products indicated the following:

Religious Fish Necklace	87.42% by weight
Dog and Cat Bendable Toys	<.001 to .96% by weight of the substrate (surface coating tests were not applicable)
Beaded Photo Charm Bracelet	73% to 96.39% by weight

3. "Please provide the name and location of the company and facility in China that manufactured the children's religious fish necklaces."

Answer: Yi Te Li Jewelry Manufacturing
Room 604, Bldg A, No 369
East of Zhongshan Road
Ningbo, China

OTC stopped doing business with this manufacturer.

4. "Are there provisions in your agreements with the Chinese or other manufacturers banning the use of lead and lead paint or limiting its use to lawful safety standards in the manufacture of the products your company imports?"

Answer: Yes. The terms and conditions of purchase orders for product purchased by OTC include the following provision:

"The Seller warrants all merchandise to be manufactured, labeled, packaged, sold, shipped and delivered in full compliance with all applicable United States laws, rules and regulations, including but not limited to, the Consumer Product Safety Act, the Child Safety Protection Act, the Federal Hazardous Substances Act, the Flammable Fabrics Act, the Labeling of Hazardous Art Materials Act, the Food, Drug and Cosmetic Act, and ASTM F963 Standards as the same may be amended from time to time and all regulations promulgated thereunder, or under the jurisdiction of the Consumer Product Safety Commission or Food and Drug Administration or their successor agencies."

5. "What steps does your company take to test and inspect imported jewelry or other children's products before they are sent to retail outlets in the United States to ensure compliance with lead content safety standards?"

Answer: OTC does not authorize importation of products that do not meet applicable standards. Products are tested to standards established by the CPSC, American Society for Testing and Materials ("ASTM"), and other state and federal agencies, as applicable. Tests are performed on the production of the initial order of each item with each manufacturer and at least once per year thereafter. Tests are also conducted on samples selected at random from manufacturers' production facilities. OTC's products are tested by Intertek Testing Services, one of the world's largest independent consumer product testing labs.

6. "How and when did your company discover the lead in the imported jewelry that led to the recall announcement by the CPSC on May 2, 2007? When did you first contact the CPSC about the children's religious fish necklaces?"

Answer: OTC first learned of the lead content of the religious fish necklace after samples of the item were selected by a CPSC investigator during an on-site inspection on January 19, 2007. Tests indicated that the religious fish necklace contained lead.

7. "Please provide details of the recall action undertaken by your company, including steps to inform retailers and consumers of the recall because of the lead hazard posed by the Children's religious fish necklaces. Did you provide information in a language other than English? Did you take any specific steps to provide information to your retail partners located in underserved communities?"

Answer: OTC immediately discontinued sales of the religious fish necklace on January 19, 2007 (the day of the CPSC on-site inspection). Notice of the recall was posted on OTC's website. A toll free number was established for customers to call for information about the recall. In cooperation with the CPSC, OTC issued a joint press release notifying the public of the recall. OTC sent a recall notice to each of the 4,920 customers that purchased the religious fish necklace with instructions on disposal of the item and how to obtain a refund. OTC telephoned customers in order to reinforce awareness of the recall and to urge customers to take the steps described in the recall notice. Notice of the recall was not provided in a language other than English. However, bilingual customer service representatives were available to respond to inquiries.

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8. "Please provide details on the consumer response to the recall since the recall announcement, including how many refunds and credits have been requested, and the number and nature of consumer inquiries that your company has received."

Answer:


Customer inquiries: 513

Credits and refunds: 1,783

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OTC's intent is to ensure that its products are safe and meet all applicable federal standards. If you have any questions about these responses, please contact me.

Sincerely,


Lanny A. Breuer